

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton; and
Robert G. Taub

Glenclyff Post Office
Glenclyff, New Hampshire

Docket No. A2012-29

ORDER AFFIRMING DETERMINATION

(Issued February 16, 2012)

I. INTRODUCTION

On December 15, 2011, the Postal Service advised the Commission that it “will delay the closing or consolidation of any Post Office until May 15, 2012.”¹ The Postal Service further indicated that it “will proceed with the discontinuance process for any Post Office in which a Final Determination was already posted as of December 12, 2011, including all pending appeals.” *Id.* It stated that the only “Post Offices” subject to closing prior to May 16, 2012 are those that were not in operation on, and for which a Final Determination was posted as of, December 12, 2011. *Id.* It affirmed that it “will not close or consolidate any other Post Office prior to May 16, 2012.” *Id.* at 2. Lastly,

¹ United States Postal Service Notice of Status of the Moratorium on Post Office Discontinuance Actions, December 15, 2011, at 1 (Notice).

the Postal Service requested the Commission “to continue adjudicating appeals as provided in the 120-day decisional schedule for each proceeding.” *Id.*

The Postal Service’s Notice outlines the parameters of its newly announced discontinuance policy. Pursuant to the Postal Service’s request, the Commission will fulfill its appellate responsibilities under 39 U.S.C. § 404(d)(5).

On October 21, 2011, Helen Maggie Carr filed a petition with the Commission seeking review of the Postal Service’s Final Determination to close the Glenclyff, New Hampshire post office (Glenclyff post office).² Additional petitions for review were received from John Robblee, Nancy Foote, Charles Foote, Jean Taggart, and Philip Belyea.³ The Final Determination to close the Glenclyff post office is affirmed.⁴

II. PROCEDURAL HISTORY

On October 28, 2011, the Commission established Docket No. A2012-29 to consider the appeal, designated a Public Representative, and directed the Postal Service to file its Administrative Record and any responsive pleadings.⁵

On November 7, 2011, the Postal Service filed the Administrative Record with the Commission.⁶ The Postal Service also filed comments requesting that the Commission affirm its Final Determination.⁷

² Petition for Review received from Helen Maggie Carr regarding the Glenclyff, New Hampshire post office 03238, October 21, 2011 (Petition).

³ Petition for Review received from John Robblee, November 7, 2011 (Robblee Petition); Petition for Review received from Nancy Foote, November 8, 2011 (N. Foote Petition); Petition for Review received from Charles Foote, November 10, 2011 (C. Foote Petition); Petition for Review received from Jean Taggart, November 10, 2011 (Taggart Petition); Notice of Intervention received from Philip Belyea, November 17, 2011 (Belyea Petition). Collectively, they will be referred to as Petitioners.

⁴ The Commission is divided equally, 2-2, on the outcome of this appeal. In the absence of a majority, the Final Determination stands.

⁵ Order No. 934, Notice and Order Accepting Appeal and Establishing Procedural Schedule, October 28, 2011.

⁶ The Administrative Record is attached to the United States Postal Service Notice of Filing, November 7, 2011 (Administrative Record). The Administrative Record includes, as Item No. 47, the Final Determination to Close the Glenclyff, New Hampshire Post Office and Establish Service by Rural Route Service (Final Determination).

Petitioner filed a participant statement supporting her Petition.⁸ On January 18, 2012, the Public Representative filed comments.⁹

III. BACKGROUND

The Glencliff post office provides retail postal services and service to 52 post office box customers. Final Determination at 2. No delivery customers are served through this office. The Glencliff post office, an EAS-53 level facility, provides retail service from 7:00 a.m. to 10:00 a.m. and 2:00 p.m. to 5:00 p.m., Monday through Friday, and 7:00 a.m. to 1:00 p.m. on Saturday. Lobby access hours are the same as retail access hours. *Id.*

The postmaster position became vacant on May 2, 2010 when the Glencliff postmaster retired. An officer-in-charge (OIC) was installed to operate the post office. *Id.* at 9. Retail transactions average 12 transactions daily (15 minutes of retail workload). *Id.* at 2. Post office receipts for the last 3 years were \$11,875 in FY 2008; \$13,322 in FY 2009; and \$11,342 in FY 2010. There are no permit or postage meter customers. *Id.* By closing this post office, the Postal Service anticipates savings of \$27,171 annually. *Id.* at 9.

After the closure, retail services will be provided by the Warren post office located approximately 5 miles away.¹⁰ *Id.* at 2. Delivery service will be provided by

⁷ United States Postal Service Comments Regarding Appeal, December 15, 2011 (Postal Service Comments).

⁸ Participant Statement received from Helen Maggie Carr, November 18, 2011 (Carr Participant Statement); Participant Statement received from Philip Belyea, November 18, 2011 (Belyea Participant Statement); Participant Statement received from David N. Startzell, November 18, 2011 (Startzell Participant Statement); Participant Statement received from John Robblee, November 23, 2011 (Robblee Participant Statement); Participant Statement received from Charles Foote, November 23, 2011 (C. Foote Participant Statement); Participant Statement received from Nancy Foote, November 23, 2011 (N. Foote Participant Statement); Participant Statement received from Jean Taggart, December 1, 2011 (Taggart Participant Statement).

⁹ Public Representative Comments, January 18, 2012 (PR Comments). On January 18, 2012, the Public Representative also filed a Motion for Late Acceptance of Comments. That motion is granted.

¹⁰ MapQuest estimates the driving distance between the Glencliff and Warren post offices to be approximately 4.66 miles (7 minutes driving time).

rural route service through the Warren post office. The Warren post office is an EAS-13 level post office, with retail hours of 7:30 a.m. to 1:00 p.m. and 2:30 p.m. to 5:00 p.m., Monday through Friday, and 7:30 a.m. to 12:00 p.m. on Saturday. Eighty-three (83) post office boxes are available. *Id.* The Postal Service will continue to use the Glenclyff name and ZIP Code. *Id.* at 8-9, Concern No. 3.

IV. PARTICIPANT PLEADINGS

Petitioners. Petitioners opposes the closure of the Glenclyff post office. Petitioners contend that closing the post office would take away the Glenclyff community's identity. See, e.g., N. Foote Petition at 2; C. Foote Petition at 2. They state that in addition to serving Glenclyff residents, the post office provides valuable services to the many Appalachian Trail thru-hikers each season. See, e.g., Robblee Peition at 1; Carr Petition at 1; Taggart Petition at 1; Startzell Participant Statement at 1-2. Petitioners contend that the Postal Service did not accurately measure the Glenclyff post office workload, because workload greatly increases during the hiking season, and the study of work activity was conducted in March. Carr Petition at 1. Petitioners assert that rural route service will not provide Glenclyff residents with a maximum degree of regular and effective postal services. See, e.g., *id.*; Belyea Participant Statement at 1-2. Petitioners contend that the Glenclyff post office cannot be closed solely for operating at a deficit. *Id.* at 1.

Postal Service. The Postal Service argues that the Commission should affirm its determination to close the Glenclyff post office. Postal Service Comments at 2. The Postal Service believes the appeal raises three main issues: (1) the impact on provision of postal services; (2) the impact on the Glenclyff community; and (3) the calculation of economic savings expected to result from discontinuing the Glenclyff post office. The Postal Service asserts that it has given these and other statutory issues serious consideration and concludes that the determination to discontinue the Glenclyff post office should be affirmed. *Id.*

The Postal Service explains that its decision to close the Glenclyff post office was based on several factors, including:

- the postmaster vacancy;
- a minimal workload and low office revenue;
- a variety of other delivery and retail options (including the convenience of rural delivery and retail service);
- little recent growth in the area;
- minimal impact on the community; and
- expected financial savings.

Id. at 5. The Postal Service contends that it will continue to provide regular and effective postal services to the Glenclyff community when the Final Determination is implemented. *Id.*

The Postal Service also asserts that it has followed all statutorily required procedures and has addressed the concerns raised by Petitioners regarding the effect on postal services, the effect on the Glenclyff community, economic savings, and the effect on postal employees. *Id.* at 23-24.

Public Representative. The Public Representative contends that the Postal Service has followed applicable procedures, and that the decision to close the Glenclyff post office is neither arbitrary nor capricious, but is supported by substantial evidence. PR Comments at 1. However, the Public Representative asserts that there is an error in the Postal Service's calculation of economic savings. *Id.*

V. COMMISSION ANALYSIS

The Commission's authority to review post office closings is provided by 39 U.S.C. § 404(d)(5). That section requires the Commission to review the Postal Service's determination to close or consolidate a post office on the basis of the record that was before the Postal Service. The Commission is empowered by section

404(d)(5) to set aside any determination, findings, and conclusions that it finds to be (a) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law; (b) without observance of procedure required by law; or (c) unsupported by substantial evidence in the record. Should the Commission set aside any such determination, findings, or conclusions, it may remand the entire matter to the Postal Service for further consideration. Section 404(d)(5) does not, however, authorize the Commission to modify the Postal Service's determination by substituting its judgment for that of the Postal Service.

A. Notice to Customers

Section 404(d)(1) requires that, prior to making a determination to close any post office, the Postal Service must provide notice of its intent to close. Notice must be given 60 days before the proposed closure date to ensure that patrons have an opportunity to present their views regarding the closing. The Postal Service may not take any action to close a post office until 60 days after its determination is made available to persons served by that post office. 39 U.S.C. § 404(d)(4). A decision to close a post office may be appealed within 30 days after the determination is made available to persons served by the post office. 39 U.S.C. § 404(d)(5).

The record indicates the Postal Service took the following steps in providing notice of its intent to close. On April 26, 2011, the Postal Service distributed questionnaires to customers regarding the possible change in service at the Glenclyff post office. Final Determination at 2. A total of 55 questionnaires were distributed to customers. Other questionnaires were made available at the retail counter. A total of 31 questionnaires were returned. On May 24, 2011, the Postal Service held a community meeting at Warren Town Hall to address customer concerns. *Id.* Twenty-one (21) customers attended. *Id.*

The Postal Service posted the proposal to close the Glenclyff post office with an invitation for comments at the Glenclyff and Warren post offices from June 14, 2011 through August 15, 2011. Final Determination at 2. The Final Determination was

posted at the same two post offices from October 5, 2011 through November 6, 2011. Administrative Record, Item Nos. 49, 50.¹¹

The Postal Service has satisfied the notice requirements of 39 U.S.C. § 404(d).

B. Other Statutory Considerations

In making a determination on whether or not to close a post office, the Postal Service must consider the following factors: the effect on the community; the effect on postal employees; whether a maximum degree of effective and regular postal service will be provided; and the economic savings to the Postal Service. 39 U.S.C. § 404(d)(2)(A).

The Postal Service must also comply with the provisions of 39 U.S.C. § 101(b), which prohibits closing any small post office solely for operating at a deficit.

Effect on the community. Glenclyff, New Hampshire is an unincorporated community located in Grafton County, New Hampshire. Administrative Record, Item No. 16. The community is administered politically by the Warren Selectboard. Police protection is provided by the Warren Police. Fire protection is provided by the Warren Volunteer Fire Department. The community is comprised of the self-employed, retirees, and those who work in local businesses or commute to work in nearby communities. *Id.* Residents may travel to nearby communities for other supplies and services. See *generally* Administrative Record, Item No. 22 (returned customer questionnaires and Postal Service response letters).

As a general matter, the Postal Service solicits input from the community by distributing questionnaires to customers and holding a community meeting. The Postal Service met with members of the Glenclyff community and solicited input from the community with questionnaires. In response to the Postal Service's proposal to close the Glenclyff post office, customers raised concerns regarding the effect of the closure

¹¹ The Round Date Stamped Final Determination cover pages, used to demonstrate the Final Determination was posted, do not appear in the Administrative Record's table of contents; however, they are located in the substance of the Administrative Record between Item Nos. 48, 51 at .pdf pages 315-16.

on the community. Their concerns and the Postal Service's responses are summarized in the Final Determination. Final Determination at 8.

Petitioners contend that closing the post office would take away the Glencliff community's identity. See, e.g., N. Foote Petition at 2; C. Foote Petition at 2. The Postal Service asserts that a community's identity derives from the interest and vitality of its residents and their continued use of its name. Postal Service Comments at 18. The Postal Service states that it is preserving the community's identity through continued use of the Glencliff name and Zip Code. *Id.*

The Postal Service has adequately considered the effect of the post office closing on the community as required by 39 U.S.C. § 404(d)(2)(A)(i).

Effect on employees. The Postal Service states that the Glencliff postmaster retired on May 2, 2010 and that an OIC has operated the Glencliff post office since then. Final Determination at 9. It asserts that after the Final Determination is implemented, the temporary OIC may be separated and that no other Postal Service employee will be adversely affected. *Id.*

The Postal Service has considered the possible effects of the post office closing on the OIC and has satisfied its obligation to consider the effect of the closing on employees at the Glencliff post office as required by 39 U.S.C. § 404(d)(2)(A)(ii).

Effective and regular service. The Postal Service contends that it has considered the effect the closing will have on postal services provided to Glencliff customers. Postal Service Comments at 6. It asserts that customers of the closed Glencliff post office may obtain retail services at the Warren post office located 5 miles away. Final Determination at 2. Delivery service will be provided by rural route service through the Warren post office. The Glencliff post office box customers may obtain Post Office Box service at the Warren post office, which has 83 boxes available. *Id.*

For customers choosing not to travel to the Warren post office, the Postal Service explains that retail services will be available from the carrier. Postal Service Comments at 7-8. The Postal Service adds that it is not necessary to meet the carrier for service since most transactions do not require meeting the carrier at the mailbox. *Id.*

Petitioners contend that rural route service will not provide Glenclyff residents with the required maximum degree of regular and effective postal services. See, e.g., Carr Petition at 1; Belyea Participant Statement at 1-2. They assert that the post office provides valuable services to Appalachian Trail hikers each season, many of whom mail necessary supplies to themselves and collect those supplies at this post office because it is the last post office on the trail before entering the White Mountains. See, e.g., Startzell Participant Statement at 1-2; Robblee Petition at 1; Carr Petition at 1; Taggart Petition at 1. The Postal Service states that the rural carrier will continue to provide Glenclyff residents with regular and effective postal services similar to that received at a post office. Postal Service Comments at 7-10. The Postal Service asserts that there are other avenues for Appalachian Trail hikers to obtain postal services. *Id.* at 11-12.

The Postal Service has considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Economic savings. The Postal Service estimates total annual savings of \$27,171. Final Determination at 9. It derives this figure by summing the following costs: postmaster salary and benefits (\$29,754) and annual lease costs (\$4,200), minus the cost of replacement service (\$6,783). *Id.*

Petitioners question the Postal Service's calculation of economic savings. Belyea Participant Statement at 1-2. The Public Representative asserts that there is an error in the Postal Service's calculation of economic savings. PR Comments at 1. He contends that the hourly wage rate that the Postal Service used in its estimate of the cost of rural delivery is too low because it does not include benefits. *Id.* at 1-2.

The Commission has previously observed that the Postal Service should include in its estimate of savings those costs likely to be eliminated by the closing. The Glenclyff post office postmaster retired on May 2, 2010. Final Determination at 2. The post office has since been staffed by an OIC who, upon discontinuance of the post office, will return to her duties at a nearby post office. Administrative Record, Item No. 15. The postmaster position and the corresponding salary will be eliminated. See, e.g., Docket No. A2011-67, United States Postal Service Comments Regarding Appeal,

October 24, 2011, at 13; Docket No. A2011-68, United States Postal Service Comments Regarding Appeal, November 2, 2011, at 10. Furthermore, notwithstanding that the Glenclyff post office has been staffed by an OIC for approximately a year and a half, even assuming the use of the presumably lower OIC salary, the Postal Service would have satisfied the requirements of section 404(d)(2)(A)(iv).

The Postal Service has satisfied the requirement that it consider economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

Section 101(b). Section 101(b) prohibits closing any small post office solely for operating at a deficit. Petitioners allege that the Postal Service is closing the Glenclyff post office solely for economic reasons. Belyea Participant Statement at 1.

To be sure, economics plays a role in the Postal Service's decision. However, the Commission is not prepared to conclude that the Postal Service's determination violates section 101(b). In addition to considering workload at the Glenclyff post office (revenues declining and averaging only 12 retail transactions per day), the Postal Service took into account other factors such as the postmaster vacancy, the minimal impact on the community, and expected financial savings. In addition, it considered the alternate delivery and retail options available to customers. Final Determination at 2.

The Postal Service did not violate the prohibition in section 101(b) on closing the Glenclyff post office solely for operating at a deficit.

VI. CONCLUSION

The Postal Service has adequately considered the requirements of 39 U.S.C. § 404(d). Accordingly, the Postal Service's determination to close the Glenclyff post office is affirmed.¹²

¹² See footnote 4, *supra*.

It is ordered:

The Postal Service's determination to close the Glencliff, New Hampshire post office is affirmed.

By the Commission.

Shoshana M. Grove
Secretary

DISSENTING OPINION OF CHAIRMAN GOLDWAY

I would remand this case to the Postal Service for further consideration for three reasons. First, the Administrative Record glosses over the fact that the Glenclyff post office by its geographical location provides unique and irreplaceable postal services to thru hikers traversing the interstate Appalachian Trail. Second, the Administrative Record fails to reflect an effort to garner a meaningful level of input elicited from those transitory, mobile users of the post office. Third, the Administrative Record is deficient with regard to calculations of economic savings.

The Postal Service is obliged to consider many things in making its post office closing determinations. In this instance, the Postal Service should have taken more careful notice of the issues raised by affected individuals.

The Appalachian Trail (AT), ranging from Georgia to Maine, attracts 3-4 million people each year. Most people hike the trail in warmer months; fewer in the colder months. AT hikers in New Hampshire use the half-mile proximity of Glenclyff post office to the Appalachian Trail to receive inbound mail drops of supplies or money because locations for supplies along portions of the Trail can be inconvenient or involve a lengthy detour. There exists an intricate network of transactions occurring along the Trail. Many of these transactions involve inbound parcels whose value is not reflected in revenue tallies, yet is essential in purpose to the visitors and thus to the value of the community. In addition, Glenclyff is identified as important due to its relatively close proximity to the trail and for being the mail drop where hikers resupply with winter gear for above the tree line. *Id.*

Taking notice of the geography of the post offices in proximity to the Appalachian Trail, Glenclyff is the last post office immediately off the trail for 44 miles going Southbound, and the last post office immediately off the trail going Northbound for

247 miles.¹ Other post offices are further from the trail and involve a more substantial detour for those on foot.

The Administrative Record suggests that the Glenclyff post office is popular with hikers. Yet, the survey forms appear to have been limited to residents of Glenclyff. Questionnaires were “made available at the retail counter” but that language does not identify any attempt to share them actively with transient customers. Furthermore, the Administrative Record contains a usage survey for the post office performed during March, an “off-season” month for New Hampshire when fewer hikers are passing through. This data is fundamentally unrepresentative and contributed to an arbitrary decision. Therefore, the Administrative Record does not show that the Postal Service has sufficiently considered the issues raised by customers concerning effective and regular service as required by 39 U.S.C. § 404(d)(2)(A)(iii).

Furthermore, the Administrative Record is inaccurate with regard to economic savings. As such, the Postal Service has not adequately considered economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv).

The Postal Service argues that savings should be calculated based on a full-time postmaster’s salary. Yet the Glenclyff post office has been operated by an officer-in-charge (OIC), currently a non-career postmaster relief (PMR)², since the former postmaster retired on May 2, 2010. On the one hand, the Postal Service argues that the effect on employees of this closing will be minimal because only a non-career OIC will be eliminated; yet on the other hand, it argues that the savings should be calculated using a full-time postmaster position.

¹ See <http://www.sophiaknows.com/atdb/postoffices.php>.

² See Postal Service Comments at 3 (citing Final Determination at 9; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 11).

The Postal Service already claims billions of dollars in savings from reducing labor costs. I believe the savings from substituting OICs in postmaster positions throughout the nation have already been included in those billions. There are inherent and blatant contradictions in the Administrative Record that must be corrected on remand. In addition, the economic analysis identified in the Final Determination does not fully account for the full costs including benefits of replacement of rural or contract delivery service for the Glenclyff customers currently provided post office boxes. See PR Comments at 1-2.

It is not the statutory responsibility of the Commission to correct the Administrative Record for the Postal Service and certainly not to make its own surmise about what and/or whether there would be savings if accurate data were in the Administrative Record. Therefore, the decision to close should be remanded to the Postal Service to correct the Administrative Record and present a more considered evaluation of potential savings.

The Postal Service recently announced a moratorium on post office closings. It is confusing and perhaps unfair to require some citizens whose post offices have received a discontinuance notice as of December 12, 2011 to gather evidence and pursue an appeal to the Commission, while others whose post offices were in the review process, but had not yet received a discontinuance notice by December 12, 2011, have the respite of a 5-month moratorium and the opportunity to have further consideration of alternatives by the Postal Service.

The citizens of Glenclyff and their concerns regarding the loss of a neighborhood post office (as well as the hikers from other localities) should be afforded the same opportunity to be heard and considered as the citizens of the approximately 3,700 post offices fully covered by the moratorium.

Ruth Y. Goldway

DISSENTING OPINION OF VICE CHAIRMAN LANGLEY

The Postal Service did not adequately consider the economic savings as required by 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service should take into consideration that a non-career postmaster relief (PMR) has been in charge of this facility since May 2010, not an EAS-53 postmaster, and reflect the PMR's salary and benefits in its cost savings analysis. As a government entity, the Postal Service should ensure that its cost/benefit analysis accurately identifies capturable cost savings and does not overstate savings. I find that the Administrative Record evidence does not support the Postal Service's decision to discontinue operations at the Glenclyff post office and should be remanded.

Moreover, several petitioners, including the Appalachian Trail Conservancy, formed in 1925, one year after the completion of the Trail's first miles, note the importance of the Glenclyff Post Office to Southbound and Northbound thru-hikes, as well as other hikers. I do not believe the Postal Service adequately considered the unique effect on this community and the role this post office plays in facilitating commerce in Glenclyff, due to its location on the Appalachian Trail.

I find that the Postal Service's decision to discontinue operations at the Glenclyff post office is unsupported by evidence on the record and thus, should be remanded.

Nanci E. Langley